

EXHIBIT A

Thomas A. Vanderslice

April 14, 2005

Washington, DC

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1 IN THE UNITED STATES BANKRUPTCY COURT

2 FOR THE DISTRICT OF DELAWARE

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CERTIFIED COPY

4 In re:) Chapter 11

5 W. R. GRACE & CO., et al.,) Case No. 01-01139 (JKF)

6 Debtors.) (Jointly Administered)

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8 Thursday, April 14, 2005

9 10:00 a.m.

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11 Deposition of THOMAS A. VANDERSLICE, held at the
12 law offices of Kirkland & Ellis, 655 Fifteenth Street,
13 N.W., Suite 1200, Washington, D.C. 20005, before
14 Jonathan Wonnell, a Registered Professional Court
15 Reporter and Notary Public of the District of Columbia.

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1 Q. As a member of the compensation
2 committee are you familiar with W.R. Grace's
3 philosophy on compensating its executives?

4 A. Yeah, pretty well.

5 Q. Can you explain to me what you believe
6 the philosophy to be?

7 A. Well, without being very specific,
8 because I probably don't remember everything I
9 should, but we operate on the basis of a base
10 salary, an annual bonus for that year, an LTIP,
11 which is a long term incentive plan. The goals are
12 set every year in conjunction now these days with
13 an the outside creditor committees, and set a goal
14 for the next three years.

15 There's a three year pay-out on that, so
16 if you meet your goal over a three year plan you
17 get a three year pay-out kind of thing. We put in
18 place a retention plan during the heavy transition
19 of the bankruptcy for many, many, meaning a couple
20 dozen or so of the key employees. Our goal is to
21 have our people reasonably well paid because in the
22 bankruptcy conditions it's a little tougher job and

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1 perceived by the outside world as maybe difficult,
2 difficult to operate.

3 Our main thrust on compensation today is
4 we have tried to split the company into Paul Norris
5 who is going to basically handle all the bankruptcy
6 issues and Fred Festa who will handle the
7 operations. We believe that the value of the
8 company to the outside litigators, whatever it is,
9 is what are those companies worth, how much do they
10 earn, what are they really worth in the
11 marketplace.

12 So you want a good operating plan, you
13 want a good guy running it. At the same time we
14 are heavily engaged in -- Paul Norris now will take
15 the lead, all leads, in the outside committees and
16 so forth, and of course with Dave Siegal and so
17 forth. So we're trying to separate -- bring Festa
18 in to that thing over time so as Paul withdraws
19 from that -- he's dropped to halftime, as you
20 probably know, starting springtime sometime.

21 And we are trying to set the company up
22 so there's a value created, although as you can

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1 the chief operating officer?

2 A. Yes.

3 Q. Can you take me through that process,
4 what the company did to locate Mr. Festa and bring
5 him in?

6 A. Well, the issue at the time, outside
7 search. The issue at the time was getting someone
8 who was up to speed on modern management. Paul had
9 worked with Fred at Allied. He had a GE
10 background. And of course I with my background was
11 able to check on that. He had an Allied Signal
12 background, which of course Paul and others -- we
13 checked on that before -- probably before we even
14 approached him. I'm not sure, but I think so. And
15 he flew around the country and interviewed with
16 each of us. We met with him as a group.

17 Kind of a strong in the sense of
18 involvement but also background-wise on the board
19 when you have the chairman of IBM and other things
20 there. You know, he's sort of been around the
21 mill. And we had an intensive interview with him.
22 Because we were hiring not just to be COO, not to

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1 be the operating guy, because we had sensed then at
2 the time and Paul was making it clear, he didn't
3 want to say there until he was 80 years old or
4 something. And we were looking for a guy who could
5 be the backup and could if he succeeded move into
6 that job.

7 Q. There was an expectations at that point
8 then that if he succeeded he would be the CEO upon
9 Mr. Norris' departure?

10 A. Yeah, at least in our mind. I would
11 think also in his mind. And we had in the back of
12 our minds the concept of splitting it because
13 particularly in the size of Grace you can't really
14 quite split it. When we went through the
15 bankruptcy at Texaco it was there's the problem in
16 the Texas courts and here's the rest of the
17 company. It was easier in those days.

18 And I was the director then. I was a
19 director during that process. It was easier to
20 separate. When you're in a smaller environment,
21 the people got dragged on either side and are
22 extremely distracting.